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Serial No. 09/623,945 Amendment in Reply to Final Office Action of August 14, 2006

## Amendments to the Claims:

This listing of claims will replace all prior versions, listings, of claims in the application:

## Listing of Claims:

(currently amended) A method of encoding data, comprising the acts of:

recoverably embedding supplemental data by inserting the supplemental data into the encoded data using at least one parameter which is altered in order to embed the supplemental data; and

deriving the at least one parameter from other the data prior to encoding available during encoding; and

encoding the data, the recoverably embedded supplemental data, and the altered at least one parameter, wherein the data is encoded using an algorithm that is determined by the altered at least one parameter.

. 2. (original) A method of extracting supplemental data of encoded data as defined in Claim 1.

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3. (currently amended) A method of encoding input comprising the steps acts of:

partitioning the data into frames;

determining a set of parameters for each frame;

reducing the data rate of the input signal by applying an algorithm which is controlleddetermined by the an affected parameter set whereby encoded data includes one of the set of parameters or and at least data which can be used to derive the parameter setset of parameters, and the data rate-reduced signal; and embedding recoverably embedded supplemental data into encoded data, wherein the parameter set of parameters is affected by the supplemental data.

- 4. (original) A method of extracting information which is embedded in the parameter set of an encoded signal as defined in Claim 3.
- 5-13. (cancelled)

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- 14. (previously presented) An arrangement for performing the method of Claim 1.
- 15. (previously presented) An arrangement for performing the method of Claim 2.
- 16. (previously presented) An arrangement for performing the method of Claim 3.
- 17. (previously presented) An arrangement for performing the method of Claim 4.
- 18. (previously presented) A playback device with an arrangement as defined in Claim 2.
- 19. (previously presented) A playback device with an arrangement as defined in Claim 4.
- 20. (previously presented) A playback device with an arrangement as defined in Claim 1.

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- 21. (previously presented) The playback device of Claim 14, including a disc player for audio and audio-visual media, respectively.
- 22. (previously presented) The playback device of Claim 15, including a Disc player for audio and audio-visual media.
- 23. (previously presented) The playback device of Claim 16, including a Disc player for audio and audio-visual media.
- 24. (previously presented) The playback device of Claim 17, including a Disc player for audio and audio-visual media.
- 25. (previously presented) A method of encoding supplemental data of encoded data as defined in Claim 1, wherein lossless encoding is used to encode the supplemental data.

Claim 26 (previously presented): A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the

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supplemental data is encoded bit by bit.

- 27. (previously presented) A method of encoding supplemental data of encoded data as defined in Claim 1, wherein before the embedding, partitioning of the data into frames and determining a set of parameters for each frame, wherein the set of parameters can be altered to embed the supplemental data
- 28. (previously presented) A method of encoding supplemental data of encoded data as defined in Claim 27, wherein encoded data is used to derive the set of parameters.
- 29. (previously presented) A method of encoding supplemental data of encoded data as defined in Claim 1, wherein the parameters is altered to a dedicated value in response to the supplemental data to be embedded.
- 30. (New) A method of encoding data, comprising the acts of: analyzing data to determine a parameter; altering the parameter utilizing supplemental data; and

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encoding the data, the supplemental data and the altered parameter to derive the encoded data, wherein the encoded data is encoded by an algorithm determined by the altered parameter, and wherein the supplemental data is recoverable from the encoded data.